



Senate Bill 253
Change Definition of Emerging Manager

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Summary: The legislation changes the definition of the an emerging manager in Article 1 of the Pension Code

Background: The Illinois Pension Code requires Illinois public pension systems to report on their utilization of emerging investment managers. This definition includes businesses owned by minorities, females and individuals with disabilities. The definition also states that in order to qualify for this definition an investment manager must manage a portfolio of at least \$10,000,000 but less than \$400,000,000.

TRS annually complies with this requirement. TRS also provides information on minority investment managers that exceed these thresholds. The thresholds were designed to encourage Illinois pension systems to invest in small minority, female and disabled owned firms.

Proposed: The legislation changes the threshold for the definition of an emerging investment manager to at least \$10,000,000 but less than \$2,000,000,000. The change will allow more minority, female and disabled owned firms to be reported as emerging investment managers.

Comments: This legislation would not result in additional TRS investment managers qualifying for emerging status under the proposed thresholds.